

Making Homes Affordable

FROM MONTGOMERY County, the jurisdiction that pioneered a nationwide movement toward creating affordable housing for lower-income families, comes a new approach to address the effect of skyrocketing home prices on the middle class. The idea was showcased in the recent sale of a coveted county lot in downtown Bethesda: As a condition of purchase, the developer had to agree to set aside several condominiums (and possibly townhouses) to be sold at below-market rates to families earning roughly \$60,000 to \$100,000 per year.

Since the 1970s, the county has required that most new developments include a certain percentage of price-controlled units for those with incomes up to \$60,000, and this project is no exception. But today, home ownership in Montgomery County — where the median price of a new townhouse is \$415,000 — is out of reach for too many teachers, police officers, sales clerks and other middle-class workers. To address this disparity, the Montgomery County Council could vote as early as this summer on a plan that would make “workforce housing” (the term being used to describe homes at below-market prices set aside for middle-income residents) a key component of future development.

The details haven’t been entirely worked out yet; questions remain over income eligibility, how buyers will be selected and how

many workforce units will be required in each new development. What is certain is that the homes would have some sort of price controls on them, so that it would not be possible to buy one and then resell it at market value. The idea of limiting workforce housing requirements to specific zones — generally around Metrorail stations, where moderately priced housing is most needed — is also under consideration.

The impact on developers is still being studied, but it is thought that in most if not all cases workforce housing units could be sold at prices that would yield profits. Even in instances where building costs exceed sale price, the accompanying market-value units would more than make up the difference. And we’d venture a guess that the housing business in Montgomery is lucrative enough that such a modest requirement would not deter many developers from building in the county.

We support the promotion of affordable housing for residents of all incomes, and Montgomery’s method seems a fair and rational way to do it — not least because it provides a bit of economic diversity to neighborhoods that would otherwise be entirely populated with the well-to-do. Of course, a workforce housing law would not ensure home ownership for all or even most of the county’s middle-income families. But it would help some, and that’s a start.